

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2001-702

October 16, 2001

ELECTRIC TRANSMISSION AND
DISTRIBUTION UTILITY STATEWIDE
LOW-INCOME ASSISTANCE PLAN
FUNDING

ORDER ESTABLISHING
PAYMENT AMOUNTS

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

SUMMARY

In this Order we establish the payment amounts due from transmission and distribution (T&D) utilities to the Maine State Housing Authority (MSHA) by December 15, 2001 and March 15, 2002, pursuant to Chapter 314 of the Commission's rules.

BACKGROUND

On July 31, 2001, the Commission approved Chapter 314, Statewide Low-Income Assistance Plan (Docket No. 2001-42) establishing a state wide low-income program for customers of electric T&D utilities. The rule established a total annual spending amount and set apportionment and assessment levels for each T&D utility.¹ If the apportionment level is higher than the assessment level, the utility will receive monies from the fund; if the apportionment level is lower than the assessment level, the utility must pay into the fund. Chapter 314 also provides that the MSHA will administer the program and distribute funds to the T&D utilities from the low-income program fund on a quarterly basis as necessary. The rule requires that T&D utilities that fund the statewide plan remit payments to the MSHA in installments due by December 15 and March 15² with the Commission determining the amount of each installment.

The rule requires that the MSHA establish a Statewide Low-Income Assistance Plan fund (Fund) to reimburse each T&D utility whose apportionment exceeds its assessment. The rule does not provide a cushion for the MSHA if the funds paid to the T&D utilities exceed the funds available for reimbursement. To ensure that the MSHA

¹ "Apportionment" is the amount of money that a T&D utility must spend annually on its Low Income Assistance Plan (LIAP). "Apportionment rate" is the percentage of the Statewide Low-Income Assistance Plan Fund to which a transmission and distribution utility is entitled. "Assessment" is the amount of revenue each T&D utility must annually contribute to the Statewide Low-Income Assistance Plan Fund.

² The rule allows for T&D utilities to pay the full assessment amount at any time prior to the scheduled payment dates.

has adequate funds to make the required reimbursements without receiving excess funds at the expense of the paying T&D utilities and its ratepayers, we reviewed the details of each T&D utilities' low-income program to determine when benefits would be distributed to program participants.

The rule required 10 T&D utilities to submit terms and conditions establishing low-income assistance programs for the October 1, 2001 through September 30, 2002 program year. Six of the 10 T&D utilities will be eligible to receive reimbursement from the Fund because their apportionment exceeds their assessment. Two of the six T&D utilities eligible to receive reimbursement (Bangor Hydro-Electric Company and Van Buren Light & Power District) designed programs that provide a monthly benefit to the customer. The remaining four designed programs that provide a lump sum, annual benefit during May or June. Therefore, there must be sufficient funds available at the MSHA to support any necessary quarterly reimbursements it must make to Bangor Hydro-Electric and Van Buren Light & Power.

ANALYSIS

The rule requires that T&D utilities receiving monies from the Fund expend the full assessment assigned to them prior to requesting reimbursement from the MSHA. The first payment date from MSHA to the participating utilities is not until December 31, 2001. It is unlikely that either Bangor-Hydro or Van Buren will have expended their full assessment in order to receive reimbursement from the Fund. Bangor-Hydro would have to expend more than 67% of its total program costs in the first three months of the program year to entitle it to reimbursement and Van Buren would have to expend more than 30% of its total program costs. Given that both utilities operate monthly programs, we would expect them to expend approximately one-third of the total program funds in the first quarter of the program year.

As a result of this review, it is unlikely that MSHA will have to make any substantial payments to the T&D utilities on December 31, 2001, its first payment date. Therefore, we set the percentage of payments required at 5% for December 15, 2001 with the remaining 95% due by March 15, 2002. This will provide an ample funding cushion for any factors that remain unknown in the operation of the programs. The MSHA will have the remainder of funds prior to the second payment date of March 31, 2002. Table 1 attached to this Order shows the amount of payments required by the T&D utilities by both December 15, 2001 and March 15, 2002.

Therefore, it is

ORDERED

That all T&D utilities that are required to pay into the low-income program operated by the MSHA pay the amounts specified in Table 1 by December 15, 2001 and by March 15, 2002 with the MSHA depositing such payments into the "benefits" account of the Statewide Low-Income Plan Fund.

Dated at Augusta, Maine, this 16th day of October, 2001.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Diamond

TABLE 1Summary of Payments Due by Utility and Date

Company	12/15/01	3/15/02	Total
Central Maine Power Company	\$44,356	\$842,762	\$887,118
Fox Island Electric Cooperative	\$ 205	\$ 3,902	\$ 4,107
Kennebunk Light & Power Company	\$ 2,110	\$ 40,081	\$ 42,191
Swans Island Electric Cooperative	\$ 112	\$ 2,134	\$ 2,246
Total	\$46,783	\$888,879	\$935,662

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.